

New Hampshire State Real Estate Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. Who administers the real estate license law in New Hampshire?**
 - A. NH Housing Authority
 - B. NH Real Estate Commission
 - C. NH Association of REALTORS
 - D. Secretary of State in conjunction with the Attorney General
- 2. What is required from a real estate advertisement in New Hampshire?**
 - A. Affiliation with a recognized real estate agency
 - B. The contact information of the property owner
 - C. A running list of similar properties in the area
 - D. Only state the contact details of the agent
- 3. What authority does the NH Real Estate Commission have?**
 - A. To compose examination questions for licensing
 - B. To enact laws governing real estate
 - C. To make and enforce rules for real estate licensees
 - D. To issue real estate licenses
- 4. What is a deed in lieu of foreclosure?**
 - A. A forced sale by the lender
 - B. A type of loan modification
 - C. A voluntary transfer of property ownership to the lender to avoid foreclosure
 - D. A government program to assist with foreclosure
- 5. What does the term principal refer to in a mortgage?**
 - A. The total cost of the property
 - B. The amount of money borrowed to purchase the property
 - C. The interest rate on the loan
 - D. The fees associated with closing the loan
- 6. What is the significance of contingencies in a purchase agreement?**
 - A. They are optional and can be excluded
 - B. They are terms that must be met for the sale to proceed
 - C. They outline financial penalties for breach of contract
 - D. They serve as suggestions for the buyer

7. How are property taxes assessed in New Hampshire?

- A. Based on the owner's income level
- B. Based on the property's assessed value by local municipalities
- C. Based on property size alone
- D. Based on the year the property was purchased

8. What is the closing disclosure?

- A. A document summarizing the buyer's financial history
- B. A document that outlines the final terms and costs of a mortgage loan
- C. A report on neighborhood crime statistics
- D. A summary of the real estate agent's commission

9. What is the purpose of a title search in a real estate transaction?

- A. To verify property ownership and check for liens or claims
- B. To estimate the value of the property
- C. To assess property taxes
- D. To evaluate potential buyers

10. What is a "closing disclosure"?

- A. A document outlining the initial offer for a property
- B. A final document detailing terms and costs of a mortgage
- C. A legal statement of ownership transfer
- D. A summary report of a property inspection

Answers

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1. B
2. A
3. C
4. C
5. B
6. B
7. B
8. B
9. A
10. B

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Explanations

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1. Who administers the real estate license law in New Hampshire?

- A. NH Housing Authority
- B. NH Real Estate Commission**
- C. NH Association of REALTORS
- D. Secretary of State in conjunction with the Attorney General

The New Hampshire Real Estate Commission is the body responsible for administering the real estate license law in the state. This commission oversees the licensing process for real estate agents and brokers, ensuring that individuals meet the required qualifications and adhere to the necessary regulations. The commission also enforces compliance with state laws and standards, conducts investigations into violations, and has the authority to take disciplinary action against licensees who do not adhere to the law. While other organizations, such as the NH Housing Authority and the NH Association of REALTORS, are involved in various aspects of real estate or housing, they do not have the legal authority to administer the real estate licensing laws. The Secretary of State and Attorney General may have roles in regulatory matters, but the Real Estate Commission is specifically designated for this purpose in New Hampshire. Therefore, the New Hampshire Real Estate Commission is recognized as the authoritative body in charge of overseeing real estate licenses and regulations in the state.

2. What is required from a real estate advertisement in New Hampshire?

- A. Affiliation with a recognized real estate agency**
- B. The contact information of the property owner
- C. A running list of similar properties in the area
- D. Only state the contact details of the agent

In New Hampshire, real estate advertisements must include an affiliation with a recognized real estate agency. This requirement helps ensure that consumers can verify the legitimacy of the advertisement and the credentials of the individuals involved in the transaction. By being associated with a reputable agency, agents demonstrate that they are adhering to professional standards and ethical practices endorsed by the state. This affiliation also provides consumers with a trusted channel through which they can seek help and resolution in case of disputes or inquiries. It emphasizes the importance of working with licensed professionals within the real estate market, ensuring better accountability and transparency. While contact information of the property owner, listings of similar properties, and just the agent's contact details may seem important, they do not fulfill the legal and professional obligations set forth by the state regarding real estate advertising. The primary emphasis on agency affiliation reinforces the need for consumers to engage with responsible and qualified real estate professionals.

3. What authority does the NH Real Estate Commission have?

- A. To compose examination questions for licensing
- B. To enact laws governing real estate
- C. To make and enforce rules for real estate licensees**
- D. To issue real estate licenses

The authority of the New Hampshire Real Estate Commission includes making and enforcing rules for real estate licensees. This power is crucial as it ensures that all individuals engaged in real estate practice adhere to established standards, ethical guidelines, and legal requirements. By creating rules, the Commission can maintain the integrity of the real estate profession, protect consumers, and enhance the overall quality of real estate services provided to the public. This role is specifically important when it comes to overseeing the conduct of real estate agents and brokers, as it helps to ensure they comply with state regulations while conducting their business activities. The enforcement aspect of this authority also means that the Commission has the ability to impose penalties or take action against those who violate these rules, thereby upholding the law and maintaining public trust in the real estate profession. In contrast, other options such as composing examination questions, enacting laws, or issuing licenses, are functions that may fall outside the specific mandate of the Commission, aligning more closely with the responsibilities of other governmental bodies or departments.

4. What is a deed in lieu of foreclosure?

- A. A forced sale by the lender
- B. A type of loan modification
- C. A voluntary transfer of property ownership to the lender to avoid foreclosure**
- D. A government program to assist with foreclosure

A deed in lieu of foreclosure involves a voluntary transfer of property ownership from the borrower to the lender as a way to avoid the foreclosure process. This arrangement typically occurs when a borrower is facing significant financial difficulties and realizes that they can no longer sustain the mortgage payments. By opting for a deed in lieu, the borrower effectively hands over the title of the property to the lender, which allows them to avoid the lengthy and often stressful foreclosure process. This method can be beneficial for both parties: the borrower avoids the negative credit consequences associated with a foreclosure, and the lender can more quickly take possession of the property without the expenses incurred from a formal foreclosure proceeding. In contrast, alternatives like a forced sale by the lender may not be voluntary and can have more drastic consequences for the homeowner. A type of loan modification refers to altering the terms of the existing loan rather than transferring ownership. Lastly, while there are government programs designed to assist with foreclosure, a deed in lieu of foreclosure is a private agreement between the borrower and lender, distinct from government intervention. Thus, the correct understanding of a deed in lieu of foreclosure is that it is a voluntary transfer aimed at mitigating the repercussions of financial distress, which aligns precisely with the defined answer choice.

5. What does the term principal refer to in a mortgage?

- A. The total cost of the property
- B. The amount of money borrowed to purchase the property**
- C. The interest rate on the loan
- D. The fees associated with closing the loan

In the context of a mortgage, the term principal specifically refers to the amount of money borrowed to purchase the property. When a buyer takes out a mortgage, they receive a loan from a lender to cover part or the entire cost of the property. This loan amount is termed the principal. As the borrower makes payments on the mortgage, a portion of each payment goes towards reducing the principal balance. Understanding this concept is crucial, as it differentiates the principal from other financial elements related to a mortgage, such as interest and closing costs. The interest rate, which is the cost of borrowing that principal, is calculated based on the principal amount but does not define it. Similarly, any fees associated with closing the loan or the total cost of the property incorporate additional components beyond just the borrowing amount, which is solely represented by the principal.

6. What is the significance of contingencies in a purchase agreement?

- A. They are optional and can be excluded
- B. They are terms that must be met for the sale to proceed**
- C. They outline financial penalties for breach of contract
- D. They serve as suggestions for the buyer

Contingencies in a purchase agreement are critical elements that outline specific conditions which must be satisfied for the transaction to move forward. They serve as protective measures for both buyers and sellers, establishing clear expectations that must be fulfilled, thus ensuring that the parties are able to complete the transaction only when certain predefined criteria are met. For instance, a common contingency might require the buyer to secure financing, meaning that the agreement can only proceed if the buyer is able to obtain a mortgage. Similarly, a property inspection contingency allows the buyer to have the property inspected, giving them the right to negotiate repairs or walk away from the agreement if significant issues arise. Therefore, the correct response recognizes the essential role of contingencies as terms that must be satisfied for the contract to be valid and enforceable, thereby serving as a safeguard for both parties involved in the transaction.

7. How are property taxes assessed in New Hampshire?

- A. Based on the owner's income level
- B. Based on the property's assessed value by local municipalities**
- C. Based on property size alone
- D. Based on the year the property was purchased

Property taxes in New Hampshire are assessed based on the property's assessed value, which is determined by local municipalities. This process involves evaluating the property's characteristics, including its size, condition, location, and any improvements made. Each municipality has assessors who gather data and conduct assessments regularly to ensure that the property values reflect current market trends and conditions. This method allows for a fair taxation system where property owners are taxed based on the value of their property rather than arbitrary measures such as income or purchase price. This ensures that longstanding residents and new buyers alike contribute to the costs of local services, such as schools and infrastructure, in proportion to the value of their real estate holdings.

8. What is the closing disclosure?

- A. A document summarizing the buyer's financial history
- B. A document that outlines the final terms and costs of a mortgage loan**
- C. A report on neighborhood crime statistics
- D. A summary of the real estate agent's commission

The closing disclosure is a key document involved in the real estate transaction process, particularly for mortgage loans. It outlines the final terms and costs associated with the mortgage loan, providing a comprehensive overview of what the borrower will be responsible for at closing. This includes details such as the loan amount, interest rate, monthly payments, and all fees and costs associated with the loan, including closing costs and any other financial obligations. The importance of this document lies in its role in ensuring transparency for the borrower. It allows buyers to review and understand their financial commitments before finalizing the transaction. The closing disclosure must be provided to the borrower at least three days before closing, giving them time to review it and address any questions or concerns. In contrast, the other options do not accurately represent what a closing disclosure is meant to convey. A document summarizing the buyer's financial history would pertain to the buyer's creditworthiness and ability to secure a loan, but it is not the focus of the closing disclosure. A report on neighborhood crime statistics relates to the safety and attractiveness of the area where the property is located and has no direct connection to the financial aspects of the mortgage. Lastly, a summary of the real estate agent's commission pertains to the payment structure of the agent.

9. What is the purpose of a title search in a real estate transaction?

- A. To verify property ownership and check for liens or claims**
- B. To estimate the value of the property
- C. To assess property taxes
- D. To evaluate potential buyers

The purpose of a title search in a real estate transaction primarily revolves around verifying property ownership and checking for any liens or claims that may be attached to the property. This process involves a thorough examination of public records to establish a clear chain of title, ensuring that the current owner is legally entitled to sell the property. By conducting a title search, potential buyers and their lenders can identify any existing encumbrances, such as mortgages, easements, or judgments against the property. This is crucial because any unresolved claims could affect the buyer's rights and ownership after the sale. Ensuring there are no outstanding issues allows for a smoother transaction and mitigates the risk of future legal disputes. In contrast, estimating the value of the property, assessing property taxes, and evaluating potential buyers do not directly relate to the purpose of a title search. While these factors are important in real estate transactions, they fall under different areas of consideration apart from ownership verification and lien-checking, which are the primary objectives of a title search.

10. What is a "closing disclosure"?

- A. A document outlining the initial offer for a property
- B. A final document detailing terms and costs of a mortgage**
- C. A legal statement of ownership transfer
- D. A summary report of a property inspection

A closing disclosure is an essential document in the real estate transaction process, specifically related to mortgage loans. It is a final document that provides comprehensive details about the terms and costs associated with the mortgage. This includes information on loan terms, interest rates, monthly payments, and all closing costs that the borrower will incur. It is designed to ensure that borrowers have a clear understanding of the financial aspects of their loan before finalizing their purchase. Moreover, the closing disclosure is provided to borrowers at least three business days before closing, allowing them time to review the terms and ask any necessary questions. This is fundamentally different from the initial offer of a property, as that would represent a preliminary agreement rather than a detailed financial breakdown. Legal documents related to ownership transfer are typically separate from the closing disclosure, addressing the conveyance of the property itself rather than the financing terms. Lastly, a property inspection summary report serves a distinct function entirely, focusing on the physical condition of the property rather than the financial obligations surrounding its purchase.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://nhstaterealestate.examzify.com>

We wish you the very best on your exam journey. You've got this!

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